

TAB

**TAB X**

Recommendation B. 1.

1. We do not concur in this recommendation.

25X1A6a

2. It is believed that the recommendation is based on a misconception. [redacted] carries CIA credentials and is recognized as a representative of the Agency by all citizens of the area with whom he has official contact, and by all Federal, State and local officials and agencies in the area. It is not correct, therefore, to describe his operation as covert.

25X1A9a

3. It is true that he serves as Consultant to the Governors Committee on Business and Industrial Development, and that, as such, he meets and often entertains visiting foreigners of varying degrees of importance. [redacted] has served on the senior Resident Agent in [redacted] for many years. It is also true that the information that they are connected with U. S. Intelligence is not volunteered to these transient aliens; however, no elaborate efforts are made to conceal that fact. The aliens are subjected to no direct interrogation by the Resident Agent, nor is information obtained from them, as the Survey suggests, in casual social conversation.

25X1A9a

25X1A6a

25X1A

25X1A

4. Most State Department-sponsored visits to [redacted] come about because of interest expressed by a foreign visitor to the U. S. in the irrigation, agricultural and hydroelectric problems which have been so successfully overcome in [redacted] and which often parallel problems vitally affecting the economy of his own country. This is particularly true in the case of visitors from the Arab states. The intelligence obtained from these visitors has proven of great value for several years, but it is obtained solely by the use of cleared cut-outs who are either specialists in the subjects of particular interest to the visitor, or particularly knowledgeable on the growth and development of [redacted]. A professor in the local college of architecture is one; another is a cooperative local judge; a third is connected with the local press and a veteran of OSS. This use of cut-outs in dealing with aliens in the U. S. is not uncommon. Most aliens, and particularly those expecting to return to their own countries, prefer to be connected in no way with U. S. Intelligence.

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25X1A